

AMENDED IN ASSEMBLY APRIL 13, 2021

AMENDED IN ASSEMBLY MARCH 18, 2021

CALIFORNIA LEGISLATURE—2021–22 REGULAR SESSION

ASSEMBLY BILL

No. 470

**Introduced by Assembly Member Carrillo
(Coauthors: Assembly Members Arambula, Cristina Garcia,
Mathis, Mullin, and Wood)**

February 8, 2021

An act to amend Sections 14005.11, 14005.20, 14005.40, 14005.401, 14006.3, 14006.4, 14006.5, 14007.9, *14009.6*, *14009.7*, 14011, 14013.3, 14051, 14051.5, and 14148.5 of, to add Section 14005.62 to, and to repeal Sections 14006, 14006.01, 14006.1, 14006.15, 14006.2, ~~14006.41~~, ~~14006.6~~, ~~14009.6~~, ~~14009.7~~, *14006.6*, and 14015 of, the Welfare and Institutions Code, relating to Medi-Cal.

LEGISLATIVE COUNSEL'S DIGEST

AB 470, as amended, Carrillo. Medi-Cal: eligibility.

Existing law, the Medi-Cal Act, provides for the Medi-Cal program, which is administered by the State Department of Health Care Services, under which qualified low-income individuals receive health care services. The Medi-Cal program is, in part, governed and funded by federal Medicaid program provisions. Existing law requires Medi-Cal benefits to be provided to individuals eligible for services pursuant to prescribed standards, including a modified adjusted gross income (MAGI) eligibility standard. Existing law prohibits the use of an asset or resources test for individuals whose financial eligibility for Medi-Cal is determined based on the application of MAGI. Existing federal law authorizes a state to establish a non-MAGI standard for determining

the eligibility of specified individuals, and existing law imposes the use of a resources test for establishing Medi-Cal eligibility for prescribed populations.

This bill would prohibit the use of resources, including property or other assets, to determine eligibility under the Medi-Cal program to the extent permitted by federal law, and would require the department to seek federal authority to disregard all resources as authorized by the flexibilities provided pursuant to federal law. The bill would authorize the department to implement this prohibition by various means, including provider bulletins, without taking regulatory authority. By January 1, 2023, the bill would require the department to adopt, amend, or repeal regulations on the prohibition, and to update its notices and forms to delete any reference to limitations on resources or assets. Because counties are required to make Medi-Cal eligibility determinations, and this bill would expand Medi-Cal eligibility, the bill would impose a state-mandated local program. With respect to the prohibition on resources, the bill would make various conforming and technical changes to the Medi-Cal Act.

The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that, if the Commission on State Mandates determines that the bill contains costs mandated by the state, reimbursement for those costs shall be made pursuant to the statutory provisions noted above.

Vote: majority. Appropriation: no. Fiscal committee: yes.
 State-mandated local program: yes.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 14005.11 of the Welfare and Institutions
- 2 Code is amended to read:
- 3 14005.11. (a) To the extent required by federal law for
- 4 qualified beneficiaries enrolled in the Medicare Program, the
- 5 department shall pay the premiums, deductibles, and coinsurance
- 6 for elderly and disabled persons entitled to benefits under Title
- 7 XVIII of the federal Social Security Act, whose income does not
- 8 exceed the federal poverty level.
- 9 (b) The department shall pay, in addition to subdivision (a),
- 10 applicable additional premiums, deductibles, and coinsurance for

1 drug coverage extended to qualified beneficiaries enrolled in the
2 Medicare Program.

3 (c) The deductible payments required by subdivision (b) may
4 be covered by providing the same drug coverage as offered to
5 categorically needy recipients, as defined in Section 14050.1.

6 (d) As specified in this section, it is the intent of the Legislature
7 to assist in the payment of Medicare Part B premiums for qualified
8 low-income Medi-Cal beneficiaries who are ineligible for federal
9 sharing or federal contribution for the payment of those premiums.

10 (e) For a Medi-Cal beneficiary who has a share of cost but who
11 is ineligible for the assistance provided pursuant to subdivision
12 (a), or who is ineligible for any other federally funded assistance
13 for the payment of the beneficiary's Medicare Part B premium,
14 the department shall pay for the beneficiary's Medicare Part B
15 premium in the month following each month that the beneficiary's
16 share of cost has been met.

17 (f) When a county is informed that an applicant or beneficiary
18 is eligible for benefits under the Medicare Program, the county
19 shall determine whether that individual is eligible under the
20 Qualified Medicare Beneficiary program, the Specified
21 Low-Income Medicare Beneficiary program, or the Qualifying
22 Individual program, and shall enroll the applicant or beneficiary
23 in the appropriate program.

24 SEC. 2. Section 14005.20 of the Welfare and Institutions Code
25 is amended to read:

26 14005.20. (a) The department shall adopt the option made
27 available under Section 1902(a)(10)(A)(ii)(XII) of Title XIX of
28 the federal Social Security Act (42 U.S.C. Sec.
29 1396a(a)(10)(A)(ii)(XII)) to pay allowable tuberculosis related
30 services for persons infected with tuberculosis.

31 (b) (1) Except as provided in paragraph (2), the income of these
32 persons may not exceed the maximum amount for a disabled person
33 as described in Section 1902(a)(10)(A)(i) of Title XIX of the
34 federal Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(i)).

35 (2) Effective January 1, 2014, the income of individuals eligible
36 under this section may not exceed the maximum amount for a
37 disabled person as described in Section 1902(a)(10)(A)(i) of Title
38 XIX of the federal Social Security Act (42 U.S.C. Sec.
39 1396a(a)(10)(A)(i)), as determined, counted, and valued in
40 accordance with the requirements of Section 14005.64.

1 (c) The amendments made by the act that added this subdivision
2 shall be implemented only if, and to the extent that, federal
3 financial participation is available and any necessary federal
4 approvals have been obtained.

5 SEC. 3. Section 14005.40 of the Welfare and Institutions Code
6 is amended to read:

7 14005.40. (a) To the extent federal financial participation is
8 available, the department shall exercise its option under Section
9 1902(a)(10)(A)(ii)(X) of the federal Social Security Act (42 U.S.C.
10 Sec. 1396a(a)(10)(A)(ii)(X)), to implement a program for aged
11 and disabled persons as described in Section 1902(m) of the federal
12 Social Security Act (42 U.S.C. Sec. 1396a(m)(1)).

13 (b) To the extent federal financial participation is available, the
14 blind shall be included within the definition of disabled for the
15 purposes of the program established in this section.

16 (c) An individual shall satisfy the financial eligibility
17 requirement of this program if all of the following conditions are
18 met:

19 (1) Countable income, as determined in accordance with Section
20 1902(m) of the federal Social Security Act (42 U.S.C. Sec.
21 1396a(m)), does not exceed an income level equal to 100 percent
22 of the applicable federal poverty level.

23 (2) (A) Until the time that the department obtains federal
24 approval for the income disregard described in paragraph (3),
25 countable income shall include an additional two hundred thirty
26 dollars (\$230) for an individual or, in the case of a couple, three
27 hundred ten dollars (\$310).

28 (B) Upon receipt of federal approval for, and implementation
29 of, paragraph (3), this paragraph shall become inoperative. The
30 director shall execute a declaration, which shall be retained by the
31 director, stating that federal approval for paragraph (3) has been
32 obtained and the date that paragraph (3) shall be implemented.
33 The director shall post the declaration on the department's internet
34 website.

35 (3) (A) Pursuant to Section 1902(r)(2) of the federal Social
36 Security Act (42 U.S.C. Sec. 1396a(r)(2)), all countable income
37 over 100 percent of the federal poverty level, up to 138 percent of
38 the federal poverty level, shall be disregarded, after taking all other
39 disregards, deductions, and exclusions into account for those
40 persons eligible pursuant to this section.

1 (B) The department shall seek federal approval to implement
2 this paragraph.

3 (4) (A) For the purposes of calculating countable income under
4 this section, an income exemption shall be applied as necessary
5 to adjust the Supplemental Security Income/State Supplementary
6 Program for the Aged, Blind, and Disabled (SSI/SSP) payment
7 level as used in this section so that it is the same as the SSI/SSP
8 payment level that was in place on May 1, 2009.

9 (B) This additional income exemption shall cease to be
10 implemented when the SSI/SSP payment levels increase beyond
11 those in effect on May 1, 2009.

12 (C) The income level determined pursuant to paragraphs (1)
13 and (2) shall not be less than the SSI/SSP payment level the
14 individual receives or would receive as a disabled or blind
15 individual or, in the case of a couple, the SSI/SSP payment level
16 the couple receives or would receive as a disabled or blind couple.

17 (5) Countable resources, including property or other assets, shall
18 not be considered in determining eligibility.

19 (d) The financial eligibility requirements provided in subdivision
20 (c) may be adjusted upwards to reflect the cost of living in
21 California, contingent upon appropriation in the annual Budget
22 Act.

23 (e) (1) Notwithstanding Chapter 3.5 (commencing with Section
24 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
25 the department, without taking any further regulatory action, shall
26 implement, interpret, or make specific this section by means of
27 all-county letters, plan letters, plan or provider bulletins, or similar
28 instructions until regulations are adopted.

29 (2) The department shall adopt regulations by July 1, 2023, in
30 accordance with the requirements of Chapter 3.5 (commencing
31 with Section 11340) of Part 1 of Division 3 of Title 2 of the
32 Government Code. The department shall provide a status report
33 to the Legislature on a semiannual basis, in compliance with
34 Section 9795 of the Government Code, until regulations are
35 adopted.

36 (f) For purposes of calculating income under this section during
37 any calendar year, increases in social security benefit payments
38 under Title II of the federal Social Security Act (42 U.S.C. Sec.
39 401 et seq.) arising from cost-of-living adjustments shall be
40 disregarded commencing in the month that these social security

1 benefit payments are increased by the cost-of-living adjustment
2 through the month before the month in which a change in the
3 federal poverty level requires the department to modify the income
4 level described in subdivision (c).

5 (g) (1) For purposes of this ~~section~~ *section*, the following
6 definitions apply:

7 (A) “SSI” means the federal Supplemental Security Income
8 program established under Title XVI of the federal Social Security
9 Act.

10 (B) “Income level” means the applicable income level specified
11 in subdivision (c).

12 (C) The board and care “personal care services” or “PCS”
13 deduction refers to an income disregard that is applied to a resident
14 in a licensed community care facility in lieu of the board and care
15 deduction (equal to the amount by which the basic board and care
16 rate exceeds the income level in subparagraph (B)) when the PCS
17 deduction is greater than the board and care deduction.

18 (2) (A) For purposes of this section, the SSI recipient retention
19 amount is the amount by which the SSI maximum payment amount
20 to an individual residing in a licensed community care facility
21 exceeds the maximum amount that the state allows community
22 care facilities to charge a resident who is an SSI recipient.

23 (B) For the purposes of this section, the personal and incidental
24 needs deduction for an individual residing in a licensed community
25 care facility is one of the following:

26 (i) If the board and care deduction is applicable to the individual,
27 the amount, not to exceed the amount by which the SSI recipient
28 retention amount exceeds twenty dollars (\$20), nor to be less than
29 zero, by which the sum of the amount that the individual pays to
30 the individual’s licensed community care facility and the SSI
31 recipient retention amount exceed the sum of the individual’s
32 income level, the individual’s board and care deduction, and twenty
33 dollars (\$20).

34 (ii) If the PCS deduction specified in paragraph (1) of
35 subdivision (g) is applicable to the individual, an amount, not to
36 exceed the amount by which the SSI recipient retention amount
37 exceeds twenty dollars (\$20), nor to be less than zero, by which
38 the sum of the amount that the individual pays to the individual’s
39 community care facility and the SSI recipient retention amount

1 exceed the sum of the individual's income level, the individual's
2 PCS deduction, and twenty dollars (\$20).

3 (3) In determining the countable income under this section of
4 an individual residing in a licensed community care facility, the
5 individual shall have deducted from the individual's income the
6 amount specified in subparagraph (B) of paragraph (2).

7 (h) No later than one month after the effective date of
8 subdivision (g), the department shall submit to the federal Medicaid
9 program administrator a state plan amendment seeking approval
10 of the income deduction specified in paragraph (3) of subdivision
11 (g), and of federal financial participation for the costs resulting
12 from that income deduction.

13 (i) The deduction prescribed by paragraph (3) of subdivision
14 (g) shall be applied no later than the first day of the fourth month
15 after the month in which the department receives approval for the
16 federal financial participation specified in subdivision (h). Until
17 approval for federal financial participation is received, there shall
18 be no deduction under paragraph (3) of subdivision (g).

19 (j) This section shall be implemented only if and to the extent
20 that any necessary federal approvals have been obtained.

21 (k) Paragraph (3) of subdivision (c) shall be implemented after
22 the director determines, and communicates that determination in
23 writing to the Department of Finance, that systems have been
24 programmed for implementation of paragraph (3) of subdivision
25 (c), but no sooner than January 1, 2020.

26 SEC. 4. Section 14005.401 of the Welfare and Institutions
27 Code is amended to read:

28 14005.401. (a) The department shall seek a Medicaid state
29 plan amendment or waiver to implement an income disregard that
30 would allow an aged, blind, or disabled individual who becomes
31 ineligible for benefits under the Medi-Cal program pursuant to
32 Section 14005.40 because of the state's payment of the individual's
33 Medicare Part B premiums to remain eligible for the Medi-Cal
34 program under Section 14005.40 if their income otherwise meets
35 all eligibility requirements.

36 (b) (1) Notwithstanding Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
38 the department may implement, interpret, or make specific this
39 section by means of all-county letters, plan letters, plan or provider

1 bulletins, or similar instructions until the time any necessary
2 regulations are adopted.

3 (2) The department shall adopt regulations by July 1, 2021, in
4 accordance with the requirements of Chapter 3.5 (commencing
5 with Section 11340) of Part 1 of Division 3 of Title 2 of the
6 Government Code.

7 (3) Commencing six months after the effective date of this
8 section, and notwithstanding Section 10231.5 of the Government
9 Code, the department shall provide a status report to the Legislature
10 on a semiannual basis, in compliance with Section 9795 of the
11 Government Code, until regulations have been adopted.

12 (c) This section shall be implemented only if, and to the extent
13 that, federal financial participation is available and necessary
14 federal approvals have been obtained.

15 SEC. 5. Section 14005.62 is added to the Welfare and
16 Institutions Code, to read:

17 14005.62. (a) Notwithstanding this chapter, resources,
18 including property or other assets, shall not be used to determine
19 eligibility under the Medi-Cal program to the extent permitted by
20 federal law. The department shall seek federal authority to
21 disregard all resources as authorized by the flexibilities provided
22 under Section 1392a(r)(2) of Title 42 of the United States Code
23 or other available authorities.

24 (b) (1) Notwithstanding Chapter 3.5 (commencing with Section
25 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
26 the department may implement this section by means of provider
27 bulletins or notices, policy letters, or other similar instructions,
28 without taking regulatory action.

29 (2) By January 1, 2023, the department shall do both of the
30 following:

31 (A) Adopt, amend, or repeal regulations in accordance with the
32 requirements of Chapter 3.5 (commencing with Section 11340) of
33 Part 1 of Division 3 of Title 2 of the Government Code and this
34 section.

35 (B) Update its notices and forms to delete any reference to
36 limitations on resources or assets.

37 SEC. 6. Section 14006 of the Welfare and Institutions Code is
38 repealed.

39 SEC. 7. Section 14006.01 of the Welfare and Institutions Code
40 is repealed.

1 SEC. 8. Section 14006.1 of the Welfare and Institutions Code
2 is repealed.

3 SEC. 9. Section 14006.15 of the Welfare and Institutions Code
4 is repealed.

5 SEC. 10. Section 14006.2 of the Welfare and Institutions Code
6 is repealed.

7 SEC. 11. Section 14006.3 of the Welfare and Institutions Code
8 is amended to read:

9 14006.3. The department, at the time of application or the
10 assessment pursuant to former Section 14006.6, and any nursing
11 facility enrolled as a provider in the Medi-Cal program, before
12 admitting any person, shall provide a clear and simple statement,
13 in writing, in a form and language specified by the department, to
14 that person, and that person's spouse, legal representative, or agent,
15 if any, that explains the income requirements of the Medi-Cal
16 program, including, but not limited to, certain protections against
17 spousal impoverishment.

18 SEC. 12. Section 14006.4 of the Welfare and Institutions Code
19 is amended to read:

20 14006.4. (a) The statement required by Section 14006.3 shall
21 be in the following form:

22

23 "NOTICE REGARDING STANDARDS FOR MEDI-CAL
24 ELIGIBILITY

25

26 If you or your spouse is in or is entering a nursing facility, read
27 this important message!

28 You or your spouse do not have to use all your resources, such
29 as savings, before Medi-Cal might help pay for all or some of the
30 costs of a nursing facility.

31 You should be aware of the following to take advantage of these
32 provisions of the law:

33

34 UNMARRIED RESIDENT

35

36 An unmarried resident is financially eligible for Medi-Cal
37 benefits if they meet income requirements. Resources, including
38 property and assets, are not considered in determining Medi-Cal
39 eligibility.

1 If an unmarried resident is financially eligible for Medi-Cal
 2 reimbursement, they are allowed to keep from their monthly
 3 income a personal allowance of (insert amount of personal needs
 4 allowance) plus the amount of health insurance premiums paid
 5 monthly. The remainder of the monthly income is paid to the
 6 nursing facility as a monthly deductible called the “Medi-Cal share
 7 of cost.”

8
 9 MARRIED RESIDENT

10
 11 If one spouse lives in a nursing facility, and the other spouse
 12 does not live in a nursing facility, the Medi-Cal program will pay
 13 some or all of the nursing facility costs as long as the couple
 14 together meets income requirements. Resources, including property
 15 and assets, are not considered in determining Medi-Cal eligibility.

16 If a spouse is eligible for Medi-Cal payment of nursing facility
 17 costs, the spouse living at home is allowed to keep a monthly
 18 income of at least their individual monthly income or (insert
 19 amount of Minimum Monthly Maintenance Needs Allowance),
 20 whichever is greater. Of the couple’s remaining monthly income,
 21 the spouse in the nursing facility is allowed to keep a personal
 22 allowance of (insert amount of personal needs allowance) plus the
 23 amount of health insurance premiums paid monthly. The remaining
 24 money, if any, generally must be paid to the nursing facility as the
 25 Medi-Cal share of cost. The Medi-Cal program will pay remaining
 26 nursing facility costs.

27 Under certain circumstances, an at-home spouse can obtain an
 28 order from an administrative law judge that will allow the at-home
 29 spouse to retain additional income. That order may allow the
 30 at-home spouse to retain more than (insert amount of Monthly
 31 Maintenance Needs Allowance) in monthly income, if the extra
 32 income is necessary “due to exceptional circumstances resulting
 33 in significant financial duress.”

34 An at-home spouse also may obtain a court order to increase the
 35 amount of income that they are allowed to retain. You should
 36 contact a knowledgeable attorney for further information regarding
 37 court orders.

38 Note: For married couples, the income limit ((insert amount of
 39 Minimum Monthly Maintenance Needs Allowance) in (insert

1 current year)) generally increase a slight amount on January 1 of
2 every year.

3 This is only a brief description of the Medi-Cal eligibility rules,
4 for more detailed information, you should call your county welfare
5 department. You will probably want to consult with the local
6 branch of the state long-term care ombudsman, an attorney, or a
7 legal services program for seniors in your area.

8 I have read the above notice and have received a copy.

9 Dated: _____ Signature: _____”

10 (b) The statement required by subdivision (a) shall be printed
11 in at least 10-point type, shall be clearly separate from any other
12 document or writing, and shall be signed by the person to be
13 admitted and that person’s spouse, and legal representative, if any.

14 (c) Any nursing facility that willfully fails to comply with this
15 section shall be subject to a class “B” citation, as defined by
16 Section 1424 of the Health and Safety Code.

17 (d) The department may revise this statement as necessary to
18 maintain its consistency with state and federal law.

19 ~~SEC. 13. Section 14006.41 of the Welfare and Institutions~~
20 ~~Code is repealed.~~

21 ~~SEC. 14.~~

22 *SEC. 13.* Section 14006.5 of the Welfare and Institutions Code
23 is amended to read:

24 14006.5. The department shall include training on the treatment
25 of separate and community income in determining eligibility for
26 Medi-Cal benefits, as part of the ongoing training offered to county
27 welfare departments.

28 ~~SEC. 15.~~

29 *SEC. 14.* Section 14006.6 of the Welfare and Institutions Code
30 is repealed.

31 ~~SEC. 16.~~

32 *SEC. 15.* Section 14007.9 of the Welfare and Institutions Code,
33 as amended by Section 32 of Chapter 5 of the 4th Extraordinary
34 Session of the Statutes of 2009, is amended to read:

35 14007.9. (a) The department shall adopt the option made
36 available under Section 1902(a)(10)(A)(ii)(XIII) of the federal
37 Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XIII)).
38 To be eligible for benefits under this section, an individual shall
39 be required to meet all of the following requirements:

1 (1) Their net countable income is less than 250 percent of the
2 federal poverty level for one person or, if the deeming of spousal
3 income applies to the individual, their net countable income is less
4 than 250 percent of the federal poverty level for two persons.

5 (2) They are disabled under Title II of the Social Security Act
6 (Subch. 2 (commencing with Sec. 401), Ch. 7, Title 42 U.S.C.),
7 Title XVI of the Social Security Act (Subch. 16 (commencing with
8 Sec. 1381), Ch. 7, Title 42, U.S.C.), or Section 1902(v) of the
9 Social Security Act (42 U.S.C. Sec. 1396a(v)). An individual shall
10 be determined to be eligible under this section without regard to
11 their ability to engage in, or actual engagement in, substantial
12 gainful activity, as defined in Section 223(d)(4) of the Social
13 Security Act (42 U.S.C. Sec. 423(d)(4)).

14 (3) Resources that are not counted as income shall not be
15 included in determinations of eligibility.

16 (b) (1) Countable income shall be determined under Section
17 1612 of the federal Social Security Act (42 U.S.C. Sec. 1382a),
18 except that the individual's disability income, including all federal
19 and state disability benefits and private disability insurance, shall
20 be exempted.

21 (2) (A) For the purposes of calculating countable income under
22 this section, an income exemption shall be applied as necessary
23 to adjust the income standard so that it is the same as the income
24 standard that was in place on May 1, 2009.

25 (B) This additional income exemption shall cease to be
26 implemented when the SSI/SSP program payment levels increase
27 beyond those in effect on May 1, 2009.

28 (C) Notwithstanding Chapter 3.5 (commencing with Section
29 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
30 the department shall implement this paragraph by means of an
31 all-county letter or similar instruction without taking regulatory
32 action.

33 (c) Medi-Cal benefits provided under this chapter pursuant to
34 this section shall be available in the same amount, duration, and
35 scope as those benefits are available for persons who are eligible
36 for Medi-Cal benefits as categorically needy persons and as
37 specified in Section 14007.5.

38 (d) Individuals eligible for Medi-Cal benefits under this section
39 shall be subject to the payment of premiums determined under this
40 subdivision. The department shall establish sliding-scale premiums

1 that are based on countable income, with a minimum premium of
2 twenty dollars (\$20) per month and a maximum premium of two
3 hundred fifty dollars (\$250) per month, and shall, by regulations,
4 annually adjust the premiums. Before the adjustment of any
5 premiums pursuant to this subdivision, the department shall submit
6 a report of proposed premium adjustments to the appropriate
7 committees of the Legislature as part of the annual ~~budget act~~
8 *Budget Act* process.

9 (e) The department shall adopt regulations specifying the process
10 for discontinuance of eligibility under this section for nonpayment
11 of premiums for more than two months by a beneficiary.

12 (f) In order to implement the collection of premiums under this
13 section, the department may develop and execute a contract with
14 a public or private entity to collect premiums, or may amend any
15 existing or future premium-collection contract that it has executed.
16 Notwithstanding any other law, any contract developed and
17 executed or amended pursuant to this subdivision is exempt from
18 the approval of the Director of General Services and from the
19 Public Contract Code.

20 (g) Notwithstanding the rulemaking provisions of Chapter 3.5
21 (commencing with Section 11340) of Part 1 of Division 3 of Title
22 2 of the Government Code, the department shall implement,
23 without taking any regulatory action, this section by means of an
24 all-county letter or similar instruction. Thereafter, the department
25 shall adopt regulations in accordance with the requirements of
26 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
27 3 of Title 2 of the Government Code.

28 (h) Notwithstanding any other law, this section shall be
29 implemented only if, and to the extent that, the department
30 determines that federal financial participation is available pursuant
31 to Title XIX of the federal Social Security Act (42 U.S.C. Sec.
32 1396 et seq.).

33 (i) Subject to subdivision (h), this section shall be implemented
34 commencing April 1, 2000.

35 ~~SEC. 17.~~

36 *SEC. 16.* Section 14007.9 of the Welfare and Institutions Code,
37 as amended by Section 91 of Chapter 3 of the Statutes of 2011, is
38 amended to read:

39 14007.9. (a) (1) The department shall adopt the option made
40 available under Section 1902(a)(10)(A)(ii)(XIII) of the federal

1 Social Security Act (42 U.S.C. Sec. 1396a(a)(10)(A)(ii)(XIII)).
2 To be eligible for benefits under this section, an individual shall
3 be required to meet all of the following requirements:

4 (A) Their net countable income is less than 250 percent of the
5 federal poverty level for one person or, if the deeming of spousal
6 income applies to the individual, their net countable income is less
7 than 250 percent of the federal poverty level for two persons.

8 (B) They are disabled under Title II of the federal Social
9 Security Act (42 U.S.C. Sec. 401 et seq.), Title XVI of the federal
10 Social Security Act (42 U.S.C. Sec. 1381 et seq.), or Section
11 1902(v) of the federal Social Security Act (42 U.S.C. Sec.
12 1396a(v)). An individual shall be determined to be eligible under
13 this section without regard to their ability to engage in, or actual
14 engagement in, substantial gainful activity, as defined in Section
15 223(d)(4) of the federal Social Security Act (42 U.S.C. Sec.
16 423(d)(4)).

17 (C) Resources that are not counted as income shall not be
18 included in determinations of eligibility.

19 (2) To the extent federal financial participation is available, an
20 individual otherwise eligible under this section, but who is
21 temporarily unemployed, may elect to remain on Medi-Cal under
22 this section for up to 26 weeks, provided the individual continues
23 to pay premiums during the temporary period of unemployment.

24 (b) (1) Countable income shall be determined under Section
25 1612 of the federal Social Security Act (42 U.S.C. Sec. 1382a),
26 except that the individual's disability income, including all federal
27 and state disability benefits and private disability insurance, shall
28 be exempted.

29 (2) (A) For the purposes of calculating countable income under
30 this section, an income exemption shall be applied as necessary
31 to adjust the income standard so that it is the same as the income
32 standard that was in place on May 1, 2009.

33 (B) This additional income exemption shall cease to be
34 implemented when the SSI/SSP program payment levels increase
35 beyond those in effect on May 1, 2009.

36 (C) Notwithstanding Chapter 3.5 (commencing with Section
37 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
38 the department shall implement this paragraph by means of an
39 all-county letter or similar instruction without taking regulatory
40 action.

1 (3) Social security disability income that converts to social
2 security retirement income upon the retirement of an individual,
3 including any increases in the amount of that income, shall be
4 exempt. The department shall submit a state plan amendment for
5 this specific exemption, and the exemption shall be implemented
6 only if, and to the extent that, the state plan amendment is
7 approved.

8 (c) After an individual is determined eligible for Medi-Cal
9 benefits under this section, the individual's countable income, as
10 determined under Section 1612 of the federal Social Security Act
11 (42 U.S.C. Sec. 1382a), shall be used to determine the amount of
12 the individual's required premium payment, as described in
13 subdivision (f). Disability income and converted retirement income
14 made exempt under paragraphs (1) and (3), respectively, of
15 subdivision (b) for eligibility purposes shall be considered
16 countable income for purposes of determining the amount of the
17 required premium payment.

18 (d) Medi-Cal benefits provided under this chapter pursuant to
19 this section shall be available in the same amount, duration, and
20 scope as those benefits are available for persons who are eligible
21 for Medi-Cal benefits as categorically needy persons and as
22 specified in Section 14007.5.

23 (e) (1) Individuals eligible for Medi-Cal benefits under this
24 section shall be subject to the payment of premiums determined
25 under this subdivision. Each individual shall pay a monthly
26 premium that is equal to 5 percent of their individual countable
27 income, as described in subdivision (c), or if the deeming of
28 spousal income of an ineligible spouse applies, a monthly premium
29 that is equal to 5 percent of the total countable income of both
30 spouses, except that the minimum premium payment per eligible
31 individual shall be twenty dollars (\$20) per month, and the
32 maximum premium payment per eligible individual shall be two
33 hundred fifty dollars (\$250) per month.

34 (2) The amendments made to this subdivision by Chapter 282
35 of the Statutes of 2009 shall be implemented no later than 90 days
36 after the operative date specified in paragraph (2) of subdivision
37 (j).

38 (f) In order to implement the collection of premiums under this
39 section, the department may develop and execute a contract with
40 a public or private entity to collect premiums, or may amend any

1 existing or future premium-collection contract that it has executed.
2 Notwithstanding any other provision of law, any contract developed
3 and executed or amended pursuant to this subdivision is exempt
4 from the approval of the Director of General Services and from
5 the Public Contract Code.

6 (g) Notwithstanding the rulemaking provisions of Chapter 3.5
7 (commencing with Section 11340) of Part 1 of Division 3 of Title
8 2 of the Government Code, the department shall implement,
9 without taking any regulatory action, this section by means of an
10 all-county letter or similar instruction. Thereafter, the department
11 shall adopt regulations in accordance with the requirements of
12 Chapter 3.5 (commencing with Section 11340) of Part 1 of Division
13 3 of Title 2 of the Government Code.

14 (h) Notwithstanding any other law, this section shall be
15 implemented only if, and to the extent that, the department
16 determines that federal financial participation is available pursuant
17 to Title XIX of the federal Social Security Act (42 U.S.C. Sec.
18 1396 et seq.) and only to the extent that the department seeks and
19 obtains approval of all necessary Medicaid state plan amendments.

20 (i) If this section, or its application, is held invalid by a final
21 judicial determination, it shall cease to be implemented. A
22 determination of invalidity shall not affect other provisions or
23 applications of this section that can be given effect without the
24 implementation of the invalid provision or application.

25 (j) (1) Except as provided in paragraph (2), the amendments
26 made to this section by Chapter 282 of the Statutes of 2009 shall
27 not become operative until 30 days after the date that the increase
28 in the state's federal medical assistance percentage (FMAP)
29 pursuant to the federal American Recovery and Reinvestment Act
30 of 2009 (Public Law 111-5) is no longer available under that act
31 or any extension of that act.

32 (2) The amendments made to this section by Chapter 282 of the
33 Statutes of 2009 contained in subdivisions (d) and (f) shall not
34 become operative until 30 days after the date that the director
35 executes a declaration stating that the implementation of
36 subdivisions (c) and (e) will not jeopardize the state's ability to
37 receive federal financial participation under the federal Patient
38 Protection and Affordable Care Act (Public Law 111-148) or any
39 amendment or extension of that act, any increase in the FMAP
40 available on or after October 1, 2008, or any additional federal

1 funds that the director, in consultation with the Department of
2 Finance, determines would be advantageous to the state.

3 (3) If at any time the director determines that the statement in
4 the declaration executed pursuant to paragraph (2) may no longer
5 be accurate, the director shall give notice to the Joint Legislative
6 Budget Committee and to the Department of Finance. After giving
7 notice, the amendments made to this section by Chapter 282 of
8 the Statutes of 2009 contained in subdivisions (c) and (e) shall
9 become inoperative on the date that the director executes a
10 declaration stating that the department has determined, in
11 consultation with the Department of Finance, that it is necessary
12 to cease to implement subdivisions (c) and (e) in order to receive
13 federal financial participation, any increase in the FMAP available
14 on or after October 1, 2008, or any additional federal funds that
15 the director, in consultation with the Department of Finance, has
16 determined would be advantageous to the state, in which case,
17 subdivision (c) of this section, as stated by Section 32 of Chapter
18 5 of the Fourth Extraordinary Session of the Statutes of 2009, shall
19 be operative.

20 (4) The director shall post a declaration made pursuant to
21 paragraph (2) or (3) on the department's internet website and the
22 director shall send the declaration to the Secretary of State, the
23 Secretary of the Senate, the Chief Clerk of the Assembly, and the
24 Legislative Counsel.

25 (k) Notwithstanding Chapter 3.5 (commencing with Section
26 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
27 the department may implement subdivision (j) by means of
28 all-county letters or similar instruction, without taking regulatory
29 action.

30 ~~SEC. 18. Section 14009.6 of the Welfare and Institutions Code~~
31 ~~is repealed.~~

32 *SEC. 17. Section 14009.6 of the Welfare and Institutions Code*
33 *is amended to read:*

34 14009.6. (a) As a result of providing medical assistance for
35 home and facility care to an individual, the state shall, by operation
36 of law, become a remainder beneficiary, to the extent required by
37 Section 1917(e) of the federal Social Security Act (42 U.S.C. Sec.
38 1396p(e)), of annuities purchased in whole or in part by the
39 individual or ~~his or her~~ *the individual's* spouse in which the
40 individual or ~~his or her~~ *the individual's* spouse is an annuitant,

1 except as provided in Section 14009.7, unless the individual or ~~his~~
2 ~~or her~~ *the individual's* spouse notifies the department in writing
3 that ~~he or she prohibits~~ *they prohibit* the state from acquiring a
4 remainder interest in ~~his or her annuity, in which case subdivision~~
5 ~~(d) shall apply:~~ *their annuity.*

6 (b) This section shall only apply to the following annuities:

7 (1) Those purchased on or after February 8, 2006.

8 (2) Those purchased before February 8, 2006, and subjected to
9 a transaction that occurred on or after February 8, 2006.

10 (A) For the purposes of this paragraph, “transaction” includes,
11 but is not limited to, any action taken by the individual or ~~his or~~
12 ~~her~~ *the individual's* spouse that changes the course of payments
13 to be made by the annuity or the treatment of the income or
14 principal of the annuity.

15 (B) For the purpose of this paragraph, “transaction” shall not
16 include any of the following:

17 (i) Routine changes and automatic events that do not require
18 any action or decision on or after February 8, 2006.

19 (ii) Changes that occur based on the terms of the annuity that
20 existed prior to February 8, 2006, and that do not require a decision,
21 election, or action to take effect.

22 (iii) Changes that are beyond the control of the individual or
23 the individual's spouse.

24 (c) Any provision in any annuity subject to this section that has
25 the effect of restricting the right of the state to become a remainder
26 beneficiary is void.

27 ~~(d) If an individual or his or her spouse notifies the department~~
28 ~~in writing that he or she prohibits the state from acquiring a~~
29 ~~remainder interest in his or her annuity, the purchase of the annuity~~
30 ~~shall be treated as the transfer of an asset for less than fair market~~
31 ~~value that is subject to Section 14015.~~

32 (e)

33 (d) (1) When the state becomes aware of an annuity in which
34 it has acquired a remainder interest, the department shall notify
35 the issuer of the annuity of the state's acquisition of its remainder
36 beneficiary interest.

37 (2) The issuer of the annuity shall, upon notification by the
38 department, immediately inform the department of the amount of
39 income and principal being withdrawn from the annuity as of the
40 date of the individual's disclosure of the annuity.

1 (3) The issuer of the annuity shall, upon request by the
2 department or any agent of the department, immediately disclose
3 to the department the amount of income and principal being
4 withdrawn from the annuity.

5 (4) The issuer of the annuity shall immediately notify the
6 department if there is any change in either of the following:

7 (A) The amount of income or principal being withdrawn from
8 that annuity.

9 (B) The named beneficiaries of the annuity.

10 ~~(F)~~

11 (e) Any moneys received by the state pursuant to this section
12 shall be deposited into the General Fund.

13 ~~(g)~~

14 (f) This section shall be implemented pursuant to the
15 requirements of Title XIX of the federal Social Security Act (42
16 U.S.C. Sec. 1396 et seq.) and any regulations adopted pursuant to
17 that act, and only to the extent that federal financial participation
18 is available.

19 ~~(h)~~

20 (g) To the extent that regulations are necessary to implement
21 this section, the department shall promulgate regulations using the
22 nonemergency regulatory process described in Article 5
23 (commencing with Section 11346) of Chapter 3.5 of Part 1 of
24 Division 3 of the Government Code.

25 ~~(i)~~

26 (h) It is the intent of the Legislature that the provisions of this
27 section shall apply prospectively to any individual to whom the
28 act applies commencing from the date regulations adopted pursuant
29 to this act are filed with the Secretary of State.

30 ~~SEC. 19. Section 14009.7 of the Welfare and Institutions Code~~
31 ~~is repealed.~~

32 *SEC. 18. Section 14009.7 of the Welfare and Institutions Code*
33 *is amended to read:*

34 ~~14009.7. (a) If an annuity is considered part or all of the~~
35 ~~community spouse resource allowance allowed under subdivision~~
36 ~~(e) of Section 14006, the state shall only become a remainder~~
37 ~~beneficiary of that portion of the annuity that is not a part of that~~
38 ~~community spouse resource allowance.~~

39 ~~(b)~~

1 14009.7. (a) The state shall not become a remainder
2 beneficiary of an annuity that is any of the following:

3 (1) Purchased by a community spouse with resources of the
4 community spouse *before or* during the continuous period in which
5 the individual is receiving medical assistance for home and facility
6 care and after the month in which the individual is determined
7 eligible for these benefits.

8 (2) Contained in a retirement plan qualified under Title 26 of
9 the United States Code, established by an employer or an
10 individual, including, but not limited to, an Individual Retirement
11 Annuity or Account (IRA), Roth IRA, or Keogh fund.

12 (3) An annuity that is all of the following:

13 (A) The annuity is irrevocable and nonassignable.

14 (B) The annuity is actuarially sound.

15 (C) The annuity provides for payments in equal amounts during
16 the term of the annuity, with no deferral and no balloon payments
17 made from the annuity.

18 ~~(e)~~

19 (b) The individual or the community spouse, or both, shall bear
20 the burden of demonstrating that the requirements of this section
21 that limit the state's right to become a remainder beneficiary, as
22 described in Section 14009.6, are met.

23 ~~(d)~~

24 (c) This section shall be implemented pursuant to the
25 requirements of Title XIX of the federal Social Security Act (42
26 U.S.C. Sec. 1396 et seq.) and any regulations adopted pursuant to
27 that act, and only to the extent that federal financial participation
28 is available.

29 ~~(e)~~

30 (d) To the extent that regulations are necessary to implement
31 this section, the department shall promulgate regulations using the
32 nonemergency regulatory process described in Article 5
33 (commencing with Section 11346) of Chapter 3.5 of Part 1 of
34 Division 3 of the Government Code.

35 ~~(f)~~

36 (e) It is the intent of the Legislature that the provisions of this
37 section shall apply prospectively to any individual to whom the
38 act applies commencing from the date regulations adopted pursuant
39 to this act are filed with the Secretary of State.

1 ~~SEC. 20.~~

2 *SEC. 19.* Section 14011 of the Welfare and Institutions Code
3 is amended to read:

4 14011. (a) An applicant who is not a recipient of aid under
5 Chapter 2 (commencing with Section 11200) or Chapter 3
6 (commencing with Section 12000) shall be required to file an
7 affirmation setting forth facts about their annual income and
8 qualifications for eligibility as may be required by the department.
9 Those statements shall be on forms prescribed by the department.

10 (b) To the extent permitted by federal law, eligibility for medical
11 assistance for applicants shall not be granted until the applicant or
12 designated representative provides independent documentation
13 verifying statements of all of the following:

14 (1) Gross income by type and source.

15 (2) Income amounts withheld for taxes.

16 (3) Health care benefits available through employment,
17 retirement, military service, work related injuries or settlements
18 from prior injuries.

19 (c) The verification requirements of subdivision (b) apply to
20 income and income deductions of applicants for medical assistance,
21 excluding applicants for public assistance, and to persons whose
22 income, income deductions, or expenses must be considered in
23 determining the applicant's eligibility and share of cost.

24 (d) A determination of eligibility and share of cost may be
25 extended beyond otherwise prescribed ~~time frames~~ *timeframes* if,
26 in the county department's judgment, and subject to standards of
27 the director, the applicant or designated representative has good
28 cause for failure to provide the required verification and continues
29 to make a good faith effort to provide verification.

30 (e) To the extent permitted by federal law, in addition to the
31 other verification requirements of this section, a county department
32 may require verification of any other applicant statements, or
33 conduct a full and complete investigation of the statements,
34 whenever a verification or investigation is warranted in the
35 judgment of the county department.

36 (f) If documentation is unavailable, as defined in regulations
37 promulgated by the department, the applicant's signed statement
38 as to the value or amount shall be deemed to constitute verification.

1 ~~SEC. 21.~~

2 *SEC. 20.* Section 14013.3 of the Welfare and Institutions Code
3 is amended to read:

4 14013.3. (a) When determining whether an individual is
5 eligible for Medi-Cal benefits, the department shall verify the
6 accuracy of the information identified in this section that is
7 provided as a part of the application or redetermination process in
8 conformity with this section.

9 (b) Before requesting additional verification from an applicant
10 or beneficiary for information they provide as part of the
11 application or redetermination process, the department shall obtain
12 information about an individual that is available electronically
13 from other state and federal agencies and programs in determining
14 an individual's eligibility for Medi-Cal benefits or for potential
15 eligibility for an insurance affordability program offered through
16 the California Health Benefit Exchange established pursuant to
17 Title 22 (commencing with Section 100500) of the Government
18 Code. Needed information shall be obtained from the following
19 sources, including any other source the department determines is
20 useful:

21 (1) Information related to wages, net earnings from
22 self-employment, and unearned income from any of the following:

23 (A) The State Wage Information Collection Agency.

24 (B) The federal Internal Revenue Service.

25 (C) The federal Social Security Administration.

26 (D) The Employment Development Department.

27 (E) The state administered supplementary payment program
28 under Section 1382e of Title 42 of the United States Code.

29 (F) Any state program administered under a plan approved under
30 Titles I, X, XIV, or XVI of the federal Social Security Act.

31 (2) Information related to eligibility or enrollment from any of
32 the following:

33 (A) The CalFresh program pursuant to Chapter 10 (commencing
34 with Section 18900) of Part 6.

35 (B) The CalWORKS program.

36 (C) The state's children's health insurance program under Title
37 XXI of the federal Social Security Act (42 U.S.C. 1397aa et seq.).

38 (D) The California Health Benefit Exchange established
39 pursuant Title 22 (commencing with Section 100500) of the
40 Government Code.

1 (E) The electronic service established in accordance with Section
2 435.949 of Title 42 of the Code of Federal Regulations.

3 (c) (1) If the income information obtained by the department
4 pursuant to subdivision (b) is reasonably compatible with the
5 information provided by or on behalf of the individual, the
6 department shall accept the information provided by or on behalf
7 of the individual as being accurate.

8 (2) If the income information obtained by the department is not
9 reasonably compatible with the information provided by or on
10 behalf of the individual, the department shall require that the
11 individual provide additional information that reasonably explains
12 the discrepancy.

13 (3) For the purposes of this subdivision, income information
14 obtained by the department is reasonably compatible with
15 information provided by or on behalf of an individual if any of the
16 following conditions are met:

17 (A) Both state that the individual's income is above the
18 applicable income standard or other relevant income threshold for
19 eligibility.

20 (B) Both state that the individual's income is at or below the
21 applicable income standard or other relevant income threshold for
22 eligibility.

23 (C) The information provided by or on behalf of the individual
24 states that the individual's income is above, and the information
25 obtained by the department states that the individual's income is
26 at or below, the applicable income standard or other relevant
27 income threshold for eligibility.

28 (4) If subparagraph (C) of paragraph (3) applies, the individual
29 shall be informed that the income information provided by them
30 was higher than the information that was electronically verified
31 and that they may request a reconciliation of the difference. This
32 paragraph shall be implemented no later than January 1, 2015.

33 (d) (1) The department shall accept the attestation of the
34 individual regarding whether they are pregnant unless the
35 department has information that is not reasonably compatible with
36 the attestation.

37 (2) If the information obtained by the department is not
38 reasonably compatible with the information provided by or on
39 behalf of the individual under paragraph (1), the department shall

1 require that the individual provide additional information that
2 reasonably explains the discrepancy.

3 (e) If any information not described in subdivision (c) or (d)
4 that is needed for an eligibility determination or redetermination
5 and is obtained by the department is not reasonably compatible
6 with the information provided by or on behalf of the individual,
7 the department shall require that the individual provide additional
8 information that reasonably explains the discrepancy.

9 (f) The department shall develop, and update as it is modified,
10 a verification plan describing the verification policies and
11 procedures adopted by the department to verify eligibility
12 information. If the department determines that any state or federal
13 agencies or programs not previously identified in the verification
14 plan are useful in determining an individual's eligibility for
15 Medi-Cal benefits or for potential eligibility, for an insurance
16 affordability program offered through the California Health Benefit
17 Exchange, the department shall update the verification plan to
18 identify those additional agencies or programs. The development
19 and modification of the verification plan shall be undertaken in
20 consultation with representatives from county human services
21 departments, legal aid advocates, and the Legislature. This
22 verification plan shall conform to all federal requirements and
23 shall be posted on the department's internet website.

24 (g) Notwithstanding Chapter 3.5 (commencing with Section
25 11340) of Part 1 of Division 3 of Title 2 of the Government Code,
26 the department, without taking any further regulatory action, shall
27 implement, interpret, or make specific this section by means of
28 all-county letters, plan letters, plan or provider bulletins, or similar
29 instructions until the time regulations are adopted. Thereafter, the
30 department shall adopt regulations in accordance with the
31 requirements of Chapter 3.5 (commencing with Section 11340) of
32 Part 1 of Division 3 of Title 2 of the Government Code. Beginning
33 six months after the effective date of this section, and
34 notwithstanding Section 10231.5 of the Government Code, the
35 department shall provide a status report to the Legislature on a
36 semiannual basis until regulations have been adopted.

37 (h) This section shall be implemented only if and to the extent
38 that federal financial participation is available and any necessary
39 federal approvals have been obtained.

40 (i) This section shall become operative on January 1, 2014.

1 ~~SEC. 22.~~

2 *SEC. 21.* Section 14015 of the Welfare and Institutions Code
3 is repealed.

4 ~~SEC. 23.~~

5 *SEC. 22.* Section 14051 of the Welfare and Institutions Code
6 is amended to read:

7 14051. (a) “Medically needy person” means any of the
8 following:

9 (1) An aged, blind, or disabled person who meets the definition
10 of aged, blind, or disabled under the Supplemental Security Income
11 program and whose income is insufficient to provide for the costs
12 of health care or coverage.

13 (2) A child in foster care for whom public agencies are assuming
14 financial responsibility, in whole or in part, or a person receiving
15 aid under Chapter 2.1 (commencing with Section 16115) of Part
16 4.

17 (3) A child who is eligible to receive Medi-Cal benefits pursuant
18 to interstate agreements for adoption assistance and related services
19 and benefits entered into under Chapter 2.6 (commencing with
20 Section 16170) of Part 4, to the extent federal financial
21 participation is available.

22 (b) “Medically needy family person” means a parent or caretaker
23 relative of a child or a child under 21 years of age or a pregnant
24 woman of any age with a confirmed pregnancy, exclusive of those
25 persons specified in subdivision (a), whose income is insufficient
26 to provide for the costs of health care or coverage.

27 ~~SEC. 24.~~

28 *SEC. 23.* Section 14051.5 of the Welfare and Institutions Code
29 is amended to read:

30 14051.5. (a) “Medically needy person” also means any person
31 who receives in-home supportive services pursuant to Section
32 12305.5 and whose income is insufficient to provide for the costs
33 of health care or coverage.

34 ~~SEC. 25.~~

35 *SEC. 24.* Section 14148.5 of the Welfare and Institutions Code
36 is amended to read:

37 14148.5. (a) ~~State-funded~~ *State-funded* perinatal services shall
38 be provided under the Medi-Cal program to pregnant persons and
39 ~~state-funded~~ *state-funded* medical services to infants up to one
40 year of age in families with incomes above 185 percent, but not

1 more than 208 percent, of the federal poverty level, in the same
2 manner that these services are being provided to the Medi-Cal
3 population, including eligibility requirements and integration of
4 eligibility determinations and payment of claims. When
5 determining eligibility under this section, an applicant's or
6 beneficiary's income shall be determined, counted, and valued in
7 accordance with the methodology set forth in Section 14005.64.

8 (b) Services provided under this section shall not be subject to
9 any share-of-cost requirements.

10 (c) (1) The department, in implementing the Medi-Cal program
11 and public health programs, may provide for outreach activities
12 in order to enhance participation and access to perinatal services.
13 Funding received pursuant to the federal provisions shall be used
14 to expand perinatal outreach activities. These outreach activities
15 shall be implemented if funding is provided for this purpose by an
16 appropriation in the annual Budget Act or other statute.

17 (2) Those outreach activities authorized by paragraph (1) shall
18 be targeted toward both Medi-Cal and non-Medi-Cal eligible high
19 risk or uninsured pregnant persons and infants. Outreach activities
20 may include, but not be limited to, all of the following:

21 (A) Education of the targeted persons on the availability and
22 importance of early prenatal care and referral to Medi-Cal and
23 other programs.

24 (B) Information provided through toll-free telephone numbers.

25 (C) Recruitment and retention of perinatal providers.

26 (d) Notwithstanding any other law, contracts required to
27 implement this section shall be exempt from the approval of the
28 Director of General Services and from the Public Contract Code.

29 ~~SEC. 26.~~

30 *SEC. 25.* If the Commission on State Mandates determines that
31 this act contains costs mandated by the state, reimbursement to
32 local agencies and school districts for those costs shall be made
33 pursuant to Part 7 (commencing with Section 17500) of Division
34 4 of Title 2 of the Government Code.